**Please amend the Specification as follows:**

**The *Cross References to Related Applications:***

Please insert the text of the above section as filed in the PCT application:

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This application claims priority from U.S. provisional patent application 60/480,097, Hunter, et al., *Reliability decision engine*, filed 20 June 2003, and discloses further developments of techniques which are the subject matter of PCT/US01/00636, Hunter, et al., *Resource allocation techniques*, filed 9 January 2001 and claiming priority from US

10   provisional application 60/175,261, Hunter, et al., having the same title and filed 10 January 2000. The U.S. National Phase of PCT/US01/00636 is USSN 10/018,696, filed 13 December 01, which is hereby incorporated by reference into the present patent application for all purposes. The present patent application contains the entire *Background of the invention* from USSN 10/018,696 and the *Detailed Description*

15   through the section titled *Computation of the real option value of the portfolio.*

**Please amend the paragraph numbered [0247] in the present application's Patent Application Publication 2006/0200400 as follows:**

20   The improved asset allocation system is implemented with a GUI created using Microsoft Visual Basic, Microsoft COM and .NET compliant components, Excel Automation for report generation, a Matlab optimization engine for numerical computations and optimization support, and a robust back-end SQL Server database for data storage. Microsoft Visual Basic, Excel Automation, and SQL Server are all manufactured by

25   Microsoft Corporation of Richmond, WA. The Matlab optimization engine and the programs that perform the computations are part of the Matlab program suite available from The MathWorks, Inc., Natick, MA. *Microsoft, Visual Basic, Excel,* and *SQL Server* are trademarks of Microsoft Corporation; Matlab and *The MathWorks* are trademarks of The MathWorks, Inc. FIG. 11 is a functional block diagram of improved asset allocation

30   system 1109. User 1103 interacts with system 1101 via Vvisual Bbasic programs 1105. Data describing assets, portfolios, and parameters for optimizations, as well as the results of the optimizations, is written to and read from the database in SQL. server Server back

end 1107, while the mathematical computations are performed by optimization engine 1109, which is thus an implementation of RDE 323. ~~The programs that perform the computations in a preferred embodiment are from the Matlab program suite, available from The MathWorks, Inc., Natick, MA.~~